

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:2637

ANSWERED ON:01.08.2017

Buffer Stock of Sugar

Lokhande Shri Sadashiv Kisan

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Government proposes to create a buffer stock of sugar to revive the sugar industry from the present crisis, if so, the details thereof;
- (b) whether the Government will maintain the said buffer stock or it will remain with the sugar mills only; and
- (c) whether in view of the problems being faced by the sugarcane farmers at the time of selling their produce, the Government is going to take any measures while framing a policy on sugar, keeping the welfare of sugarcane farmers in mind, if so, the details thereof ?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)

- (a) & (b) There is no proposal under consideration of the Government to create buffer stock of sugar. Moreover, with removal of levy obligation and release mechanism in the de-regulated regime, buffer stocking by the Government is not practicable.
- (c) In order to protect the interest of farmers, the Government fixes Fair and Remunerative Price (FRP) of sugarcane for every sugar season in advance which is a bench mark price below which no sugar mill can purchase cane from farmers. Further, FRP envisages upfront payment of margins to the sugarcane farmers on account of risk and profits. Besides, to ensure timely payment to sugarcane farmers, it has been stipulated in the Sugarcane (Control) Order, 1966 that payment of cane price is to be made within 14 days of supply of sugarcane by the mills, failing which, interest @ 15% per annum on amount due for the delayed period beyond 14 days is payable.
